

HOUSE BILL No. 1446

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-1-11; IC 6-1.1-12-38.5.

Synopsis: Property tax deduction for farm security items. Provides a property tax deduction, not to exceed \$25,000 in assessed value per year, relating to secure storage of fertilizers and pesticides that could be used for terrorism or illegal drug manufacturing. Specifies that the deduction is available for certain chemical additives and for tangible personal property that is: (1) installed or placed in service after March 1, 2009; and (2) used to provide security for a fertilizer or pesticide by: (A) restricting access to or control of; or (B) conducting surveillance on or detecting unauthorized access to; the fertilizer or pesticide. Provides that, in addition to filing a certified application statement, a person claiming the deduction must file a certification by the state chemist that the property for which the deduction is claimed has been installed or placed in service. Specifies that a person may not receive the deduction for security devices and the automatic abatement deduction under IC 6-1.1-12.4 for the same property.

Effective: Upon passage.

Knollman

January 13, 2009, read first time and referred to Committee on Ways and Means.

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First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

HOUSE BILL No. 1446

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-1-11, AS AMENDED BY P.L.131-2008,
2 SECTION 2, AND AS AMENDED BY P.L.146-2008, SECTION 48,
3 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Subject to the limitation
5 contained in subsection (b), "personal property" means:

6 ~~(1) nursery stock that has been severed from the ground;~~
7 ~~(2) florists' stock of growing crops which are ready for sale as pot~~
8 ~~plants on benches;~~

9 ~~(3) (1) billboards and other advertising devices which are located~~
10 ~~on real property that is not owned by the owner of the devices;~~

11 ~~(2) motor vehicles; mobile houses; airplanes; boats not subject to~~
12 ~~the boat excise tax under IC 6-6-11, and trailers not subject to the~~
13 ~~trailer tax under IC 6-6-5;~~

14 ~~(3) (4) (2) foundations (other than foundations which support a~~
15 ~~building or structure) on which machinery or equipment:~~

16 ~~(A) held for sale in the ordinary course of a trade or business;~~

17 ~~(B) held, used, or consumed in connection with the production~~



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1 *of income; or*
 2 *(C) held as an investment;*
 3 is installed; ~~and~~
 4 ~~(4) (5)~~ **(3)** all other tangible property (other than real property)
 5 which: ~~is being:~~
 6 ~~(A) held for sale in the ordinary course of a trade or business;~~
 7 ~~(B) held, used, or consumed in connection with the production~~
 8 ~~of income; or~~
 9 ~~(C) (A) is being held as an investment; or~~
 10 ~~(B) is depreciable personal property; and~~
 11 ~~(6) (4)~~ **(4)** mobile homes that do not qualify as real property and are
 12 not described in ~~subdivision (5):~~ **subdivision (3); and**
 13 **(5) fences and equipment that are:**
 14 **(A) installed or placed in service after March 1, 2009; and**
 15 **(B) used to provide security for a fertilizer or pesticide by:**
 16 **(i) restricting access to or control of; or**
 17 **(ii) conducting surveillance on or detecting unauthorized**
 18 **access to;**
 19 **the fertilizer or pesticide.**
 20 (b) Personal property does not include the following:
 21 (1) Commercially planted and growing crops while ~~they are~~ in the
 22 ground.
 23 (2) Computer application software. ~~that is not held as~~
 24 (3) Inventory. ~~(as defined in IC 6-1.1-3-11).~~
 25 SECTION 2. IC 6-1.1-12-38.5 IS ADDED TO THE INDIANA
 26 CODE AS A NEW SECTION TO READ AS FOLLOWS
 27 [EFFECTIVE UPON PASSAGE]: **Sec. 38.5. (a) The following**
 28 **definitions apply throughout this section:**
 29 **(1) "Facility" means personal property or real property**
 30 **improvements, or both, that are used in a person's**
 31 **agricultural, commercial, or industrial operation at a single**
 32 **location.**
 33 **(2) "Fertilizer" refers to a fertilizer that:**
 34 **(A) is subject to the fertilizer storage rules adopted by the**
 35 **state chemist under IC 15-16-2-44; and**
 36 **(B) could be used for terrorism or illegal drug**
 37 **manufacturing.**
 38 **(3) "Pesticide" refers to a pesticide that:**
 39 **(A) is subject to the pesticide storage rules adopted by the**
 40 **pesticide review board under IC 15-16-4-50; and**
 41 **(B) could be used for terrorism or illegal drug**
 42 **manufacturing.**

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(b) Subject to subsection (d), a person is entitled to an annual property tax deduction in an amount equal to the assessed value of any tangible personal property that is:

- (1) installed or placed in service after March 1, 2009; and
- (2) used to provide security for a fertilizer or pesticide by:
 - (A) restricting access to or control of; or
 - (B) conducting surveillance on or detecting unauthorized access to;

the fertilizer or pesticide.

(c) Subject to subsection (d), a person is entitled to an annual property tax deduction in an amount equal to the part of the assessed value of a fertilizer or pesticide located at a facility that is attributable to a chemical:

- (1) added to; and
- (2) designed to deter the theft of;

the fertilizer or pesticide.

(d) The total annual amount of the deduction that a person may receive under:

- (1) subsection (b) for tangible personal property installed or placed in service; and
 - (2) subsection (c) for the assessed value of a chemical added to and designed to deter the theft of a fertilizer or pesticide;
- at a facility may not exceed twenty-five thousand dollars (\$25,000).

(e) To obtain a deduction under this section, a person must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is subject to assessment. In addition to the certified statement, the person must file a certification by the state chemist that the property for which the deduction is claimed has been installed or placed in service. The statement and certification must be filed not later than:

- (1) the personal property return due date for the assessment year; or
- (2) if the person obtains a personal property return filing extension under IC 6-1.1-3-7(b), the extended due date for the assessment year.

Upon the verification of the statement by the assessor of the township in which the property is subject to assessment, the county auditor shall allow the deduction.

(f) A person that qualifies for a deduction for a year under this section and under IC 6-1.1-12.4 with respect to the same property may not receive a deduction under both this section and

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- 1 **IC 6-1.1-12.4 for the property.**
2 **SECTION 3. [EFFECTIVE UPON PASSAGE] IC 6-1.1-12-38.5,**
3 **as added by this act, applies to property taxes first due and payable**
4 **after December 31, 2010.**
5 **SECTION 4. An emergency is declared for this act.**

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